

Message Text

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PAGE 01 BONN 09294 221600Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00 LAB-04
SIL-01 OMB-01 L-03 /056 W
-----078793 222043Z /73

R 221537Z MAY 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 8730
INFO USDA/FAS WASHDC
AMEMBASSY BRUSSELS

UNCLAS BONN 09294

FAS FOR EUROPEAN AREA OFFICER BRUSSELS FOR USEC

E.O. 11652: N/A
TAGS: EAGR, GW
SUBJECT: COMMENTS ON EC FARM POLICY DECISIONS

1. COMMENTS ON THE EC FARM POLICY DECISIONS SO FAR HAVE BEEN RATHER LACONIC AND SUBDUED. GOVERNMENT OFFICIALS STRESSED THE POSSIBILITY OF REACHING AN ACCEPTABLE COMPROMISE. FARMERS EXPRESSED "DISAPPOINTMENT" AND CALLED FOR UNILATERAL NATIONAL ASSISTANCE PROGRAMS.

2. THE MINISTRY OF AGRICULTURE HAS NOT YET ISSUED A DETAILED COMMENT. AFTER THE COUNCIL MEETING, MINISTER ERTL ONLY STATED THAT "THIS IS A COMPROMISE WE CAN LIVE WITH. IN A SPEECH ON MAY 19, UNDER SECRETARY GALLUS WELCOMED THE AGREEMENT: "THE DECISION REPRESENTS A COMPROMISE BETWEEN THE INTERESTS OF THE REVALUATING AND DEVALUATING COUNTRIES. IT IS IN LINE WITH THE POLICY OF ECONOMIC STABILITY AND IS TAKING ACCOUNT OF THE NECESSITIES OF FARM INCOME POLICY."

3. THE GERMAN FARMERS ASSOCIATION (DBV) EXPRESSED DIS-
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APPOINTMENT AND CALLED FOR UNILATERAL NATIONAL ASSISTANCE PROGRAMS. SO FAR, THE STATEMENTS BY THE DBV HAVE BEEN MORE MODERATE THAN IN THE PAST SEVERAL YEARS: "THE DBV HAS NOTED THE BRUSSELS DECISIONS ON AGRICULTURAL PRICES WITH DISAPPOINTMENT. AS A MATTER OF FACT, THEY ARE AN IMPROVEMENT OVER THE ABSOLUTELY INSUFFICIENT PROPOSALS OF THE EC COMMISSION. NEVERTHELESS, THEY ARE

FAR BEHIND THE INCOME NECESSITIES OF THE GERMAN FARMERS. WHILE THE NEGOTIATED WAGE INCREASES IN THE OTHER SECTORS OF THE GERMAN ECONOMY RANGE BETWEEN FIVE AND SEVEN PERCENT, THE EC COUNCIL OF MINISTERS HAS GRANTED GERMAN AGRICULTURE ONLY SLIGHT PRICE IMPROVEMENTS FOR SOME PRODUCTS. IT IS EVEN DOUBTFUL WHETHER SUCH INCREASES CAN ACTUALLY BE REALIZED ON THE MARKET. IT IS INCOMPREHENSIBLE IN VIEW OF THESE UNSATISFACTORY PRICE DECISIONS, THAT IN ADDITION, THE COUNCIL DECIDED ON A WEAKENING OF THE MARKET REGULATIONS WITH IMPORTANT PRODUCTS AND OF THE SYSTEM OF MONETARY COMPENSATION. THIS WILL RESULT IN INCOME LOSSES. CONSEQUENTLY, THE GERMAN FARMERS ASSOCIATION NOW EXPECTS THE FEDERAL GOVERNMENT TO TAKE ACCOUNT OF THE DIFFICULT INCOME SITUATION OF THE FARMERS BY APPROPRIATE UNILATERAL NATIONAL MEASURES SIMILAR TO THOSE IN OTHER COUNTRIES OF THE COMMUNITY."

4. MOST TRADE AND INDUSTRY ASSOCIATIONS ARE "STILL EXAMINING" THE NEW PROVISIONS. IN A PRELIMINARY STATEMENT, THE GERMAN MEAT TRADE ASSOCIATION COMPLAINED ABOUT THE FURTHER INCREASE IN THE ALREADY EXCESSIVE BEEF IMPORT LEVY (GY 8042). IN VIEW OF RISING SURPLUSES, THE SUGAR INDUSTRY STATED THAT THE REDUCTION OF THE PRICE SUPPORTED QUOTA HAS BEEN A STEP IN THE RIGHT DIRECTION (SEE GY 8043).

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5. WE WILL SUPPLEMENT THIS FIRST ROUNDUP AS NEW STATEMENTS BECOME AVAILABLE. STOESSEL.

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FARMS, DECISIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN09294
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780215-1074
Format: TEL
From: BONN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780535/aaaabdbd.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 85c98a99-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2621046
Secure: OPEN
Status: NATIVE
Subject: COMMENTS ON EC FARM POLICY DECISIONS
TAGS: EAGR, GE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/85c98a99-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014